

BEACHWOOD CITY COUNCIL MINUTES OF THE AUDIT COMMITTEE MEETING HELD AT BEACHWOOD CITY HALL, CONFERENCE ROOM A, 25325 FAIRMOUNT BOULEVARD, ON MONDAY, JULY 10, 2017 AT 5:30 P.M.

The meeting was called to order at 5:30 P.M. by Chairman Brian Linick.

ROLL CALL: Present: M. Adelman, B. Linick, J. Pasch
Absent: None.
Also Present: Merle S. Gorden, Justin Berns, Martin S. Horwitz,
Alec Isaacson, Mel Jacobs, Barbara Janovitz
Hope L. Jones, Larry Heiser, Harvey Rose, Tina Turick

1. Mayor's Reports.

None.

2. Presentation by Nicole Bent of the Auditor of State regarding Performance Audits.

Ms. Bent from the Auditor of State gave a presentation regarding Performance Audits.

Ms. Bent stated that the State Auditor does Performance Audits on schools, townships, cities, and state agencies.

Ms. Bent stated that the analysis varies and can include facility assessment, cost benefit, and capital planning.

Ms. Bent stated that the State Auditor is a "public organization that provides an analysis at a lower rate."

Ms. Bent stated that the Auditor of State has performed 30 audits of local governments at an average cost of \$72,000.00.

Ms. Bent stated that the cost savings has been just over \$1,000,000.00.

Ms. Bent stated that the audit is performed in 3 phases; the first being planning, then field work, then reporting.

Ms. Bent stated that after the reporting phase is over then the City can choose to do a press release or not.

After Ms. Bent's overview, she asked if there were any questions from City Council or the Committee.

Mr. Pasch asked if Ms. Bent could provide examples of some of the areas where City Municipalities have found the most savings.

Ms. Bent stated that most of the recoveries were found in overly generous employee benefits, sometimes salary, and sometimes operations.

Mr. Jacobs asked what about the Unions in regards to cost savings in salary.

Ms. Bent explained that CBA's are treated separately and that the savings that are considered are what can be implemented immediately. Collective Bargaining does not fall under that immediate implementation.

Mr. Horwitz asked for an example of a City that is comparable to Beachwood that has had a performance audit.

Ms. Bent gave the Cleveland Public Library as an example.

Ms. Bent mentioned that one of the municipalities that have had a performance audit done is the City of Gahanna.

Mr. Horwitz stated that he would like to see the report from the City of Gahanna.

Mr. Pasch mentioned that this Performance Audit to not have any binding authority.

Mr. Linick asked how Cities are finding out about these Performance Audits.

Ms. Bent stated that most cities that are finding them are cities that want them to perform this audit.

Ms. Bent stated that this Audit can be empowering to Council in that it can show that Council is doing a good job.

At this point in the meeting, Mr. Linick asked if there were any further questions.

There were none.

ADJOURNMENT

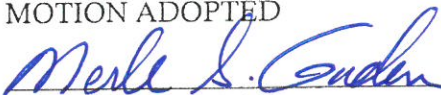
Moved by J. Pasch, seconded by B. Linick at 6:04 P.M. to adjourn the Audit Committee Meeting to the next regularly scheduled Council meeting.

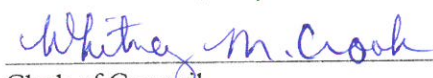
ROLL CALL

Yes:	M. Adelman, B. Linick, J. Pasch
Abstain:	None.
No:	None.
Not Voting:	None.

MOTION ADOPTED

Approved:


Merle S. Gorden, Mayor


Clerk of Council

BEACHWOOD CITY COUNCIL MINUTES OF THE FINANCE AND INSURANCE COMMITTEE MEETING HELD AT BEACHWOOD CITY HALL, COUNCIL CHAMBERS, 25325 FAIRMOUNT BOULEVARD, ON MONDAY, JULY 10, 2017 IMMEDIATELY FOLLOWING THE AUDIT COMMITTEE MEETING

The meeting was called to order at 6:04 P.M. by Chairman Alec Isaacson.

ROLL CALL: Present: A. Isaacson, B.B. Janovitz, B. Linick , J. Pasch,
 Absent: None.
 Also Present: Merle S. Gorden, Justin Berns, Martin S. Horwitz,
 Mel Jacobs, Hope L. Jones, Dale Pekarek, Larry Heiser,
 Tina Turick, Joe Ciuni

1. Discussion regarding the application of the CMAQ NOACA Grant.

Mr. Ciuni gave an overview of this process up until this point.

Mr. Ciuni stated that we applied for this same grant 2 years ago and this new application is for the replacement of traffic signals that have not been replaced recently.

Mr. Ciuni stated that this funding would take care of the Cedar Road corridor, the Harvard Road corridor, and the Richmond Road corridor.

Mr. Ciuni stated that we needed this legislation submitted by July 14, 2017.

Mr. Jacobs asked if this funding would cover everything and Mr. Ciuni stated that it would.

Mr. Jacobs asked what the total amount would be.

Mr. Heiser stated that the total amount is \$5.8 Million and the City will be paying \$3 Million which is roughly 51%.

Mr. Linick asked if this expense has already been budgeted.

Mr. Heiser stated that it has not.

Mr. Pasch stated his concern about the rushed nature of this approval.

Mayor Gorden stated that this was only recently brought to his attention.

Mr. Berns asked if the City can apply for this grant and then pass on the funding if we are chosen.

Mr. Ciuni stated that you can do that and that it has happened in the past but, NOACA doesn't like that.

Ms. Janovitz asked if there was any repercussion legally for backing out of the funding.

Ms. Jones stated that she is convinced that we could back out with no legal repercussion.

Mr. Linick expressed concerned about some of the wording in the legislation.

Ms. Jones stated that this wording came from NOACA and that we cannot change it.

Mr. Linick stated that the majority of Council did not know about this project until recently.

Mr. Linick expressed his concern with the process.

Mr. Isaacson asked if we wanted to bring this item to the floor tonight during the regular council meeting.

The committee agreed to bring it to the floor and talk about it in the council meeting.

Mr. Isaacson asked if there were any more questions on this subject.

There were none.

2. Discussion regarding the financing of Fire Station #2

Mr. Heiser introduced Mr. Matt Stuczynski to the committee.

Mr. Stuczynski spoke briefly on the funding on Fire Station #2.

Mr. Stuczynski stated that the Bonds would not exceed \$8 million and that the time limit would not exceed 25 years.

Mr. Isaacson asked for a time frame on the release of the bonds.

Mr. Stuczynski stated they would be released in late September.

At this point Mr. Isaacson asked if there were any further questions from the committee.

There were none.

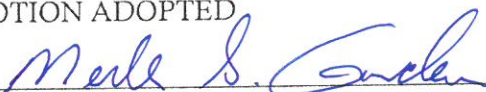
ADJOURNMENT

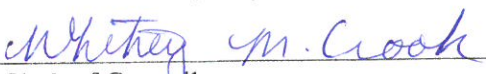
Moved by A. Isaacson seconded by J. Pasch at 6:55 P.M. to adjourn the Finance and Insurance Committee Meeting to the next regularly scheduled Council meeting.

ROLL CALL	Yes:	A. Isaacson, B.B. Janovitz, B. Linick, J. Pasch
	Abstain:	None.
	No:	None.
	Not Voting:	None.

MOTION ADOPTED

Approved:


Merle S. Gorden, Mayor


Whitney M. Cook
Clerk of Council